

translation

BURGAN BANK

Consumer Loan Contract (Variable Interest Rate)

Customer's file number at the Bank:

On

the

this contract was made between:

1- Burgan Bank KSC

Whose address is at

P. O. Box 5389 Safat

13054 Safat, State of Kuwait

(First Party) (Creditor Lender) hereinafter referred to as "the Bank")

2-

Whose address is at

Of the nationality

Identification No.

Identification No.

Telephone:

P. O. Box

(Second Party) (Creditor Lender) hereinafter referred to as "the Customer")

Having declared that they are fully competent to act and enter into agreement, the two parties agreed as follows:

1: The Contract Amount

1- The Customer requested the bank to grant him a loan for a maximum amount of KD (Kuwaiti Dinars), to be granted to the Customer by crediting it to the Customer's current account opened with the Bank under No. or any other account opened in the name of the customer at the Bank

or that will be opened by the bank for crediting it with the loan amount, and the Bank has agreed to grant the said loan to the customer subject to the conditions of this contract.

- 2- It has been agreed between the parties that the effectiveness of this contract vis-à-vis the Bank shall be subject to obtaining the approval of the competent internal bodies at the Bank. In the event where those bodies do not agree to granting the loan referred to hereabove to the Customer, this contract shall be deemed automatically terminated without any liability on the bank as a result thereof. The competent internal bodies at the Bank may decide to approve of granting the loan in an amount smaller than that mentioned above. In such event, the amount of the loan shall be the amount approved by the competent bodies at the Bank, and the crediting of the loan amount to any account opened in the name of the Customer at the Bank shall be the sole, irrefutable, evidence of the approval of the internal bodies at the Bank to grant the loan to the Customer, and the sole evidence of the ultimate loan amount which shall be taken as the basis for calculating the loan installments and interest. The customer declares that he agrees that the loan amount be automatically reduced to the amount that will be credited to his account as the ultimate loan amount, and he may not claim that this contract be terminated for reasons based on the reduction of the loan amount.

2: The Purpose of the Loan

The purpose of the loan is:

The customer undertakes to use the loan for the purpose specified therefor. He declares that he has irrevocably authorized Burgan Bank to open an account at Burgan Bank for depositing therein the loan amount in order to ensure that it is used for the purpose designated therefor. The customer further declares that he has authorized the Bank to take such actions as may be required to use the loan amount for the purpose specified therefor and take all the required records in his account. In the event where it is not possible to use the loan for the purpose specified therefor for any reason whatsoever, the Bank may cancel the loan amount and oblige the customer to repay such part thereof as may have already been used. The Bank may also reduce the loan amount to the used part thereof. In the latter event, the loan amount and

interest shall be distributed over a number of monthly installments that the customer shall pay on the due date set forth in this contract.

3: The Interest

- 1- The loan amount shall be subject to interest at a rate of **3%** above the discount rate announced by the Central Bank of Kuwait, payable on the due date of the installment and on the daily balance of the loan.
- 2- The Bank shall have the right to review the interest rate applied to the loan throughout the period of the loan to bring in line with the rate announced by the Central Bank of Kuwait at the end of every period of five years commencing on the date of granting the loan or the date of the last interest rate change provided that the change shall not exceed 2% by increase or decrease of the contractual interest rate applied pursuant to the loan contract before the change.

4: The Settlement

- 1- The Customer undertakes to settle the loan amount and interest by **43** equal and successive monthly installments of KD (Kuwaiti Dinars) each, the first of which shall fall due on and the successive installments shall fall due for payment on the 28th day of each month thereafter, and the last installment shall fall due on all this being so in the event where the loan amount is deposited before the 15th day of the month during which the loan amount is credited to the account. In the event where the loan amount is credited after the 15th day of the month, the first installment shall fall due for payment in the month following the month during which the loan amount has been credited to the account, and the due date of the last installment shall be automatically based on such amendment.
- 2- It has been agreed that the loan installment amounts have been calculated on the assumption that the competent internal bodies at the Bank have agreed to grant the loan in the full above-mentioned loan amount. It has also been agreed upon that, in the event where the loan is approved to be granted in an amount smaller than the amount mentioned in this contract, the amounts of the loan shall be adjusted accordingly, and the Customer shall repay the loan and

interest thereon in the same number of installments and on the same dates referred to in the preceding paragraph.

- 3- It has been agreed between the two parties that the installment amount has been calculated on the assumption that the discount rate will remain unchanged throughout the duration of the loan installments, and it has also been agreed upon between the parties that the installment amount will be increased or reduced on the basis of the changes that the Bank will make to the interest rate in the manner set forth in Article 3/2 hereof.
- 4- The Bank shall have the right to accelerate payment of several installments by deducting their amounts from such amounts as may be received in the Customer's account by way of leave salaries from his employer.
- 5- The Customer undertakes that, upon his retirement, he shall pay an amount sufficient to reduce the debt amount so that each of the remaining loan installments and the interest thereon calculated every month consistent with the amount that may be deducted according to the law and the instructions of the Central Bank of Kuwait, from his pension monthly salary. The Customer further undertakes that, in such event, he shall provide to the bank a guarantor who is financially capable and who will be jointly liable with him for repaying the outstanding balance of the debt and interest thereon as well as all amounts arising therefrom. He also undertakes not to transfer his pension salary to any other bank before settling his debt to Burgan Bank and receiving a certificate of discharge issued by the Bank. In the event of the Customer's failure to observe the provisions of this paragraph within a period of one month from the date of his retirement, the entire balance of the debt arising herefrom and interest thereon shall become due and payable forthwith and the customer shall settle it immediately without the need for any notice or warning or the taking of any legal action.
- 6- In all events where the payment of the loan cards is accelerated, the amounts of such acceleration shall be used to last installment of the loan amount, then the second last installment, etc.

- 7- In the event of any delay by the Customer in settling any installment on the due date thereof, all the subsequent installments shall become due and payable forthwith without the need to give any notice or warning or obtaining a court judgment.

5: Miscellaneous Conditions and Provisions

- 1- The Customer declares that the information provided by him to the Bank upon the signing of this contract are true, and undertakes to submit all the original supporting documents which shall be true and valid. In the event where the Customer fails to perform this obligation, the Bank shall have the right to decide not to proceed with providing the loan to the Customer.
- 2- All the accounts, of any type whatsoever, opened at present or to be opened subsequently in the name of the customer at the bank or any of its branches inside or outside Kuwait, shall be deemed to secure each other regardless of the names assigned thereto, so that the Bank may deduct the debit balance from any credit account belonging to the Customer. It may also deduct from the credit balance of any account of the customer to settle the debit balance in any other account. It shall also have the right to consolidated or merge all or any of the Customer's accounts opened or set off or transfer any other amounts to settle any outstanding obligations of the Customer toward the bank on any account and for any reason whatsoever, in respect of the entire debt or the amounts associated therewith by way of interest, expenses and court fees, if any.
- 3- In the event where the Customer's salary is not transferred within a period of three months from the date on which his account is credited with the amount of the loan, all the subsequent installments shall become due and payable forthwith without the need to give any notice or warning or to obtain a court judgment.
- 4- The Customer agrees that all the securities, commercial paper, precious metals, cash, goods and other properties of any kind whatsoever, deposited at present or that may be deposited in the future at the bank or any branch

thereof and that set forth in the receipts, documents, statements of account or deposit documents issued by the Bank or in the correspondence thereof, shall be deemed pledged in favor of the bank to secure all the customer's obligations toward the Bank. The Customer undertakes to sign and execute all transfers, assignments, mortgages, powers of attorney and all other documents that the bank may request to be given in order to establish the bank's legal rights in such security. In the event where the Customer receives additional revenues to those declared by him to the bank, the Customer hereby assigns all these revenues to the Bank as additional security for repaying the loan and the customer agrees to disclose to the bank all his present sources of income and undertakes to notify the bank in the event of the occurrence of any change in his sources of income.

- 5- It has been agreed that the Bank shall have the right to charge delay interest and fees according to its own rules and regulations in respect of any installment amount that the customer fails to pay on the due date thereof agreed upon with the Bank, and the Customer declares his conclusive acceptance thereof.
- 6- The Customer declares that the books and accounts of the bank shall be deemed to be an evidence of the amounts due or to become due by him under this contract. He also agrees to consider the periodical statements of account issued by the bank and the other advices that are sent to him sufficient evidence of his debt and obligations toward the Bank according to the contents thereof unless the Customer objects thereto in writing by registered mail within fifteen days from receipt thereof by him, and, in the event where the Customer does not receive the statement of account within fifteen days from the date set for sending it to him and does not request it from the bank in writing within one week from that date, he shall have no time to rely on not having received it and shall not object to any records in any way whatsoever.
- 7- The Customer declares that any tolerance, extension or renewal of the term of the loan as may be granted to him by the bank shall not affect his obligations under this contract and shall not impair such obligations in any way whatsoever.

- 8- Every notice or advice that the Bank may wish to give the Customer concerning any matter related to this contract shall be deemed to have been adequately notified to him if it is sent by registered mail to his last address known to the Bank. The Customer shall notify the bank in the event of any change of the address mentioned in the contract within ten days, by a registered letter, with acknowledgment of receipt requested, of the said change, otherwise the last address known to the Bank or the address mentioned in the contract shall be considered the address applicable for notice, announcement or any official notice.
- 9- The Customer declares that all his monthly obligations toward his creditors (banks, investment company or any other entities) including his obligations toward Burgan Bank do not exceed the maximum that may be deducted from his salary in settlement of installments due from him toward all his creditors in accordance with the law or the instructions of the Central Bank of Kuwait. He further declares that all his obligations in respect of consumer and installment loans do not exceed KD , and the customer undertakes not to exceed the said amount. He also declares and undertakes that he will remit to Burgan Bank the exchange or sale of his salary through the Public Institution for Social Security, and that the Bank may deduct his obligations therefrom in advance.
- 10-The Customer shall pay to the Bank all the expenses, charges, compensations and other amounts arising from the granting to him of the loan covered by this contract.
- 11-The Customer hereby authorizes the Bank to enquire about the information related to him from banks, investment companies or any other creditor entities, and the concerned entities may provide all information that may be requested by the Bank without bearing any liability and referring to the Customer. The Customer further authorizes the Bank to exchange information about him and about his relationship with the Bank and his accounts therewith with all subscribers to the Central Risk System in accordance with the banking laws, regulations and custom in force at the customer's full responsibility and without any liability to the Bank.

12-The Customer declares that he is not subject to the provisions of the Law No. 41 of 1993 or a debtor covered by the Program for the Settlement of the Irregular Credit Facilities issued by the Central Bank of Kuwait on and undertakes to notify the Bank in the event of any change to this declaration.

13-The Customer declares that his end-of-service entitlements that will be received in connection with his employment until the present time cover the amount of the loan granted to him by the Bank. He accepts the full liability arising from this declaration and further undertakes to issue instructions to his employer to transfer his entire entitlements to his account with Burgan Bank.

14-The customer declares that it absolutely and irrevocably agrees to observe the instructions of the central bank concerning the closure of all its cheque accounts and list its name in the list of customers whose accounts have been closed as a result of the return of cheques drawn by it or by its authorized personnel, because of the lack of adequate balance, in the case where three cheques are returned unpaid during the year. The customer further declares that it agrees in advance to any measures the bank may take in this regard. The bank may, at its absolute discretion, open another account for the customer without cheques, in lieu of the account that has been closed, and it shall register in the new account the credit facilities, if any, open on the account that have been closed. The Customer shall bear the entire legal liability arising from the issue of those cheques and shall not have recourse against the Bank for the closing of his account or listing his name on the said list or any other actions taken by the Bank in this regard.

6: This contract was made in the State of Kuwait and signed by both parties therein. It shall be subject to the laws of the State of Kuwait and the courts of the Capital of Kuwait shall have jurisdiction to settle any dispute that may arise between the parties concerning the execution of this contract or the interpretation of any of its articles.

7: This contract was made in two original copies, one for each party for acting in accordance therewith whenever necessary. By signing this contract the

Customer shall be deemed to have declared that he has received his copy hereof.

Signature of the Customer

Signature of the Bank

BURGAN BANK

Application for a Loan

Date:

Messrs. Burgan Bank

I request you to grant me the loan / loans the particulars of which are set forth herebelow:

Consumer Loan: Individual

Loan amount:

Purpose of the loan:

Name:

Customer Information File No.

Civil Card No.

Nationality:

Date of birth:

Employer:

Appointment date:

Do you have a past service?

(If the answer is in the positive, please provide the bank with a certificate that states the past service entitlements)

Military No. (for military / Ministry of Interior personnel):

Marital status:

Number of children:

Education level:

Work address:

Work phone number: (1)

(2)

P. O. Box

Fax:

Residence address: Block Street House / Apartment No.
Floor:
Residence phone No.: (1) (2)
Email Address:
Type of residence:

Particulars of the References				
Name	Relationship	Occupation	Residence address	Telephone No.

Signature of the Customer: _____

Information about the Account and Income

Account No.

Date opened:

Present salary: KD

Present balance: KD

Continuous additional income: KD

Source of the additional income:

Total income: KD

Present Obligations of the Customer
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Obligations of the customer toward Burgan Bank:

Account Type	Account Number	Loan Type	Date Granted	Principal Amount	Outstanding Balance	Installment

Obligations of the Customer toward other parties:

Account Type	Principal	Outstanding Balance

If the loan is guaranteed, please state the reason for the guarantee:

Insurance (optional):

I wish to have insurance.

In the event where the insurance of the loan is selected, the insurance amount will be paid by monthly premiums payable with the loan installments. I declare th at my signature on this application constitutes irrevocable instructions to deduct those premiums from my account every month.

Expenses	Consumer Loan	Installment Loan
Insurance		
Other (KD)		

I declare that I have read all the terms and conditions of the “borrower’s insurance certificate” issued by Gulf Insurance Company KSC and my acceptance and receipt thereof. I irrevocably authorize the bank to use part of the loan amount to settle my obligations in this regard and authorize the bank to transfer those amounts to the aforesaid party and to effect all the records required therefor.

Signature of the Customer: _____

BURGAN BANK

Promissory Note / Without Protest

Kuwait:

Date:

I / we undertake to pay to Burgan Bank KSC, in Kuwait, upon demand, an amount of KD plus interest at the rate of%

With effect from until complete settlement

Amount received on account.

The Bank shall have the right to present the note for payment during the period from the date of issuing it until

Name of the drawer:

Name of the Guarantor:

Signature of the drawer:

Signature of the Guarantor:

The Public Authority for Civil Information

Declaration

I, the undersigned _____

Civil card No.

Declare that I agree that

May obtain :

The information recorded on my civil card, information about my place of work and address and any changes thereto from the Public Authority for Civil Information without any liability on the part of the Authority.

In witness whereof I have made this declaration:

Signature:

Issued on :

Certification of the signature: The declarer signed the present declaration before me.

Competent employee:

Name: Civil No.

Position:

Signature: Seal:

Civil number of the declaration at the requesting entity:

Reference number of the requesting entity at the Authority:

BURGAN BANK

Application for a Loan

Date:

Messrs. Burgan Bank

I request you to grant me the loan / loans the particulars of which are set forth herebelow:

Joint Credit Loan: Individual

Loan amount:

Purpose of the loan:

Personal Particulars of the Borrower:

Name:

Customer Information File No.

Civil Card No.

Nationality:

Date of birth:

Employer:

Appointment date:

Do you have a past service?

(If the answer is in the positive, please provide the bank with a certificate that states the past service entitlements)

Military No. (for military / Ministry of Interior personnel):

Marital status:

Number of children:

Education level:

Work address:

Work phone number: (1) (2) P. O. Box Fax:

Residence address: Block Street House / Apartment No.

Floor:

Residence phone No.: (1) (2)

Email Address:

Type of residence:

Particulars of the References				
Name	Relationship	Occupation	Residence address	Telephone No.

Signature of the Customer: _____

Information about the Account and Income
--

Account No.

Date opened:

Present salary: KD

Present balance: KD

Continuous additional income: KD

Source of the additional income:

Total income: KD

Present Obligations of the Customer

Obligations of the customer toward Burgan Bank:

Account Type	Account Number	Loan Type	Date Granted	Principal Amount	Outstanding Balance	Installment

Obligations of the Customer toward other parties:

Account Type	Principal	Outstanding Balance

If the loan is guaranteed, please state the reason for the guarantee:

Insurance (optional):

I wish to have insurance.

In the event where the insurance of the loan is selected, the insurance amount will be paid by monthly premiums payable with the loan installments. I declare th at my signature on this application constitutes irrevocable instructions to deduct those premiums from my account every month.

Expenses	Consumer Loan	Installment Loan
Insurance		
Other (KD)		

I declare that I have read all the terms and conditions of the “borrower’s insurance certificate” issued by Gulf Insurance Company KSC and my acceptance and receipt thereof. I irrevocably authorize the bank to use part of the loan amount to settle my obligations in this regard and authorize the bank to transfer those amounts to the aforesaid party and to effect all the records required therefor.

Signature of the Customer: _____

BURGAN BANK

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Date:

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Name of the Guarantor:

Signature of the drawer:

Signature of the Guarantor:

The Public Authority for Civil Information

Declaration

I, the undersigned _____

Civil card No.

Declare that I agree that

May obtain :

The information recorded on my civil card, information about my place of work and address and any changes thereto from the Public Authority for Civil Information without any liability on the part of the Authority.

In witness whereof I have made this declaration:

Signature:

Issued on :

Certification of the signature: The declarer signed the present declaration before me.

Competent employee:

Name:

Civil No.

Position:

Signature:

Seal:

Civil number of the declaration at the requesting entity:

Reference number of the requesting entity at the Authority: